

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF TODD COUNTY WATER)	
DISTRICT FOR A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY TO)	CASE NO.
CONSTRUCT, FINANCE AND INCREASE RATES)	2000-394
PURSUANT TO KRS 278.023)	
)	

O R D E R

On August 14, 2000, Todd County Water District ("Todd District") submitted an application for a Certificate of Public Convenience and Necessity to construct, finance, and increase rates for a \$1,242,000 waterworks improvement project. This project consists of the installation of approximately 46 miles of 6-inch through 3-inch water transmission mains to provide service to approximately 122 new customers. Project funding consists of a \$800,000 loan from the U.S. Department of Agriculture's Rural Development ("RD"), a \$400,000 grant from the ("RD") and a \$42,000 contribution from the applicant.

Todd District's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture or the U. S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on August 14, 2000, KRS 278.023 does not grant

the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Todd District is granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Todd District's proposed plan of financing with RD is accepted.

3. Todd District is authorized to issue bonds not to exceed \$800,000.

4. Todd District shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

5. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

6. Todd District shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

7. Todd District shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer is outside the requirements of 807 KAR 5:066, Section 5(1), Todd District shall take immediate action to maintain the level of service in conformance with the regulations of the Commission.

8. Todd District shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.

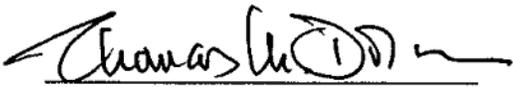
9. Three years from the effective date of this Order, Todd District shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 13th day of September, 2000.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2000-394 DATED SEPTEMBER 13, 2000

The following rates and charges are prescribed for the customers in the area served by Todd County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

First	2,000 gallons	\$ 14.72	Minimum bill
Next	8,000 gallons	6.70	per 1,000 gallons
Next	10,000 gallons	5.01	per 1,000 gallons
Next	20,000 gallons	3.71	per 1,000 gallons
Over	40,000 gallons	3.11	per 1,000 gallons